
AGENCY: State Housing Finance and Development Authority

SUBJECT: Request for Renewal of Mortgage Prepayments Refunding Note

Pursuant to SC Code of Laws Section 31-10-10 *et seq.*, the State Housing Finance and Development Authority is empowered to issue bonds, notes and other obligations, the principal proceeds of which will be applied to providing sanitary and safe residential housing for persons and families of low income and moderate-to-low income at prices which such persons can afford and to refund certain prior bonds, notes and other obligations of the Authority. On November 14, 2006, the Board adopted a resolution "approving a mortgage prepayment refunding note to be entered into by the Authority not to exceed the lesser of \$21,000,000 or the amount of repaid and prepaid mortgage principal which is on deposit as of any debt service payment date for the Authority's tax-exempt bonds and which, in the opinion of bond counsel, is eligible to be refunded by tax-exempt bonds pursuant to federal code."

Under the terms of the Note, principal and interest are due and payable on June 30, 2008, unless the Authority, under the terms of the Note, renews the Note for an additional one year term such that the new maturity date will be June 30, 2009. The Authority now petitions the Board to adopt a resolution approving a one year renewal of the \$21,000,000 South Carolina State Housing Finance and Development Authority Mortgage Prepayment Refunding Note such that the new maturity date will be June 30, 2009.

BOARD ACTION REQUESTED:

Adopt a resolution approving a one year renewal of the \$21,000,000 South Carolina State Housing Finance and Development Authority Mortgage Prepayment Refunding Note such that the new maturity date will be June 30, 2009.

ATTACHMENTS:

Foley 5/21/08 letter; Resolution

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May 21, 2008

Via Federal Express

Delbert H. Singleton, Jr.
State Budget and Control Board
601 Wade Hampton Building
Columbia, SC 29201

Re: Request for Renewal of Mortgage Prepayment Refunding Note

Dear Delbert:

The Housing Authority has asked that we present its request to renew the Mortgage Prepayment Refunding Note at the June 17, 2008 meeting of the State Budget and Control Board. The terms of the Mortgage Prepayment Refunding Note provide for a renewal for one year if requested by the Authority and approved by the State Budget and Control Board. The Housing Authority does not meet until May 27, therefore the attached documentation is not executed. We ask that you accept this agenda item at this time and then fully executed copies of the documents will be provided to you immediately after the Housing Board meets on May 27. The executed documents will be hand delivered by Tracey Easton. Please let us know if you have any questions or need anything further from us.

Very truly yours,


Rion D. Foley

RDF:ebbs

Enclosures

Cc: F. Richard Harmon, Jr.
Tracey C. Easton
Debra Seymour

A RESOLUTION

APPROVING THE ONE-YEAR RENEWAL OF THE \$21,000,000 SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY MORTGAGE PREPAYMENT REFUNDING NOTE SUCH THAT THE NEW MATURITY DATE WILL BE JUNE 30, 2009

WHEREAS, the South Carolina State Housing Finance and Development Authority (the "Authority") is authorized and empowered by Title 31, Chapter 13, Code of Laws of South Carolina 1976, as amended (the "Act") to issue bonds, notes and other obligations the principal proceeds of which will be used to provide sanitary and safe residential housing for persons and families of low income and of moderate to low income (collectively, the "beneficiary classes") at prices which such persons can afford and to refund certain prior bonds, notes and other obligations of the Authority; and

WHEREAS, upon making a determination that a demand for money for mortgage loans is sufficient to justify the issuance of bonds, notes and other obligations and upon the approval of the State Budget and Control Board of South Carolina (the "State Board"), the Authority may, from time to time, issue its bonds, notes and other obligations for the purpose of obtaining funds with which to provide sanitary and safe residential housing for beneficiary classes at prices which such persons can afford and to refund such bonds, notes and other obligations; and

WHEREAS, the Authority determined that the existing demand and need for money for mortgage loans was sufficient to justify authorizing a mortgage prepayment refunding note with a bank for the purpose of refunding certain prior bonds and notes and other obligations of the Authority and the State Board concurred by Resolution adopted November 14, 2006 (the "Approving Resolution"); and

WHEREAS, a request for proposals (the "RFP") was prepared under the direction of the State Treasurer's Office and circulated to banks on May 25, 2007; and

WHEREAS, bids were received under the RFP for the note on June 5, 2007, by the State Treasurer's Office; and

WHEREAS, it was determined by the State Treasurer and the Authority that Wachovia Bank, N.A. presented the most advantageous terms for the note set forth in the RFP; and

WHEREAS, the Authority, under the conditions set forth in and with the approvals required from the State Treasurer under the State Board's Approving Resolution, entered into the \$21,000,000 South Carolina State Housing Finance and Development Authority Mortgage Prepayment Note, dated as of June 28, 2007 including all documents securing and evidencing the same, as amended (collectively, the "Note"); and

WHEREAS, under the terms of the Note, principal and interest are due and payable on June 30, 2008, unless the Authority, under the terms of the Note, exercises its option to renew the Note for an additional one-year term such that the new maturity date will be June 30, 2009; and

WHEREAS, the Authority notified Wachovia Bank, N.A. on April 22, 2008, of its intention to seek approval of the renewal from the State Board for the additional one-year term for the Note such that the new maturity will be June 30, 2009;

NOW, THEREFORE BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA IN MEETING DULY ASSEMBLED:

Section 1. Approval is hereby granted to the Authority to renew the Note such that the new maturity date will be June 30, 2009.